

**Highlights From the 1996 Directory of U.S.
Microenterprise Programs**

**Attachment to Testimony by Peggy Clark for the
PRIME Act**

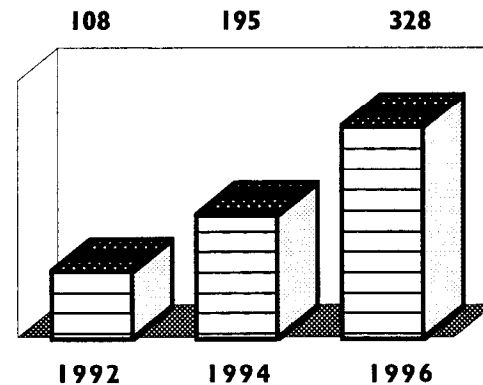
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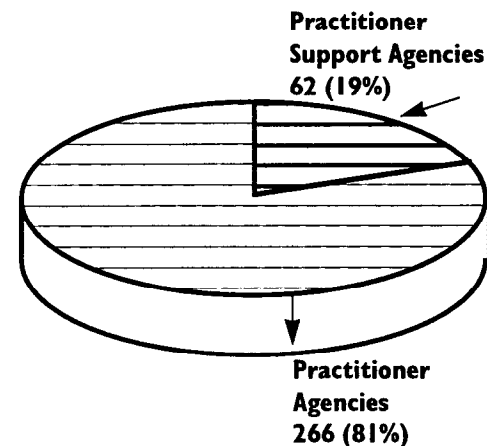
Highlights From The 1996 Directory

- ✓ The 1996 Directory documents 328 U.S. microenterprise programs located in 46 states and the District of Columbia.
- ✓ The number of programs listed in this Directory has increased 68% since publication of the 1994 Directory, when 195 programs were listed.
- ✓ The *Practitioner Agency* section of the 1996 Directory contains 266 practitioner programs. These include programs which provide loans and/or technical assistance and training directly to microentrepreneurs.
- ✓ The *Practitioner Support* section of the 1996 Directory contains 62 programs. These include public and private funders; organizations which provide training, program consulting, or evaluation to practitioners; regional networks and trade associations; and research organizations.
- ✓ 254 practitioner agencies (95%) provide technical assistance and training services to entrepreneurs. 193 practitioner agencies (73%) provide credit services.
- ✓ 181 practitioner programs (68%) provide both lending and training services. 73 practitioner programs (27%) do not have loan funds and provide only training and technical assistance to microentrepreneurs.
- ✓ In 1995, the 266 practitioner programs served 52,518 individuals, of which 9,605 were borrowers, and 42,913 were non-borrowers who received training or technical assistance. On average, each program served 245 individuals.
- ✓ The practitioner programs listed in the 1996 Directory have served a cumulative total of 171,555 participants since they were established.

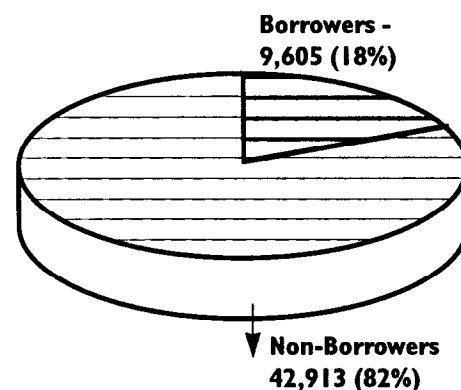
NUMBER OF PROGRAMS IN THE SELF DIRECTORY



328 PROGRAMS IN THE 1996 DIRECTORY



52,518 PARTICIPANTS ASSISTED IN 1995



✓ 36,211 businesses were assisted in 1995—of which 13,787 were start-ups.

✓ Since they were established, the lending programs in this Directory have disbursed more than \$126 million in loans to microentrepreneurs. This is an increase since 1994 of almost 200% in total dollars loaned. In the 1994 Directory, programs reported that \$44 million had been disbursed in loans since they were established.

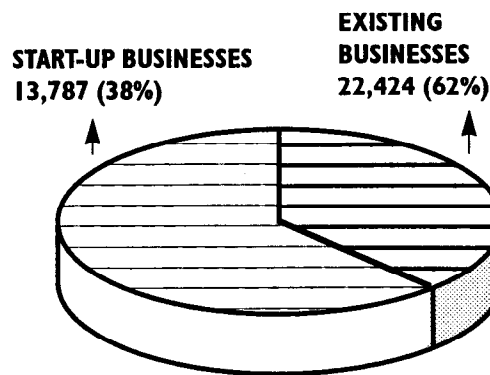
✓ In 1995, practitioner programs loaned \$35,508,657 to microentrepreneurs.

✓ 51 programs (19% of practitioner agencies) provide loans using the group lending methodology. The average loan size for group lending programs was \$1,597 in 1995. The average number of group loans per program was 42.

✓ In 1995, the group-lending programs served 792 borrowing groups, or an average of 19 groups per group-lending program.

✓ 163 programs (61% of practitioner agencies) provide individual loans, or non-peer group lending. In 1995, the average loan size was \$9,248, and agencies disbursed an average of 29 loans per program.

36,211 MICROBUSINESSES ASSISTED IN 1995



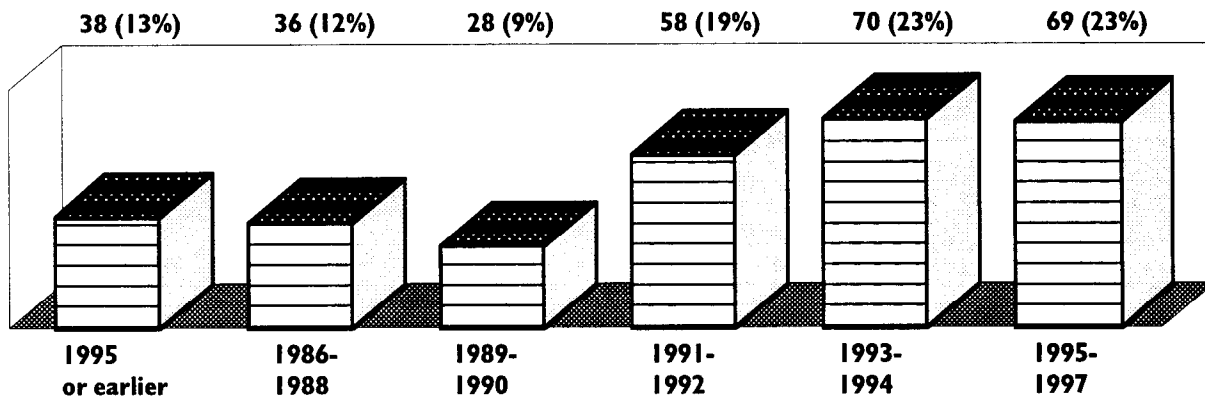
✓ 28 programs (11% of the practitioner programs) provide both individual and group lending.

✓ Loan terms varied considerably from program to program, ranging from a minimum term of one month, to a maximum term of 25 years. Generally, individual lenders offer longer repayment terms than do group lenders. 36 individual lenders allow a maximum term of six years or longer, while only two group lenders have terms of that length.

✓ For individual lending programs, maximum loan size ranges from \$1,000 to \$500,000. 40% of the programs make loans up to a maximum of \$20,000, and 28% make loans up to a maximum of \$5,000.

DATE MICROENTERPRISE PROGRAMS WERE ESTABLISHED

299 PROGRAMS REPORTED ESTABLISHMENT DATES



- ✓ For group lending programs, maximum loan size ranges from \$500 to \$25,000.
- ✓ Of practitioner programs making individual loans, 78% take collateral on loans. Only 16% of group lending programs take collateral.
- ✓ The average operating budget of all programs is \$332,941, and the combined annual operating budgets of all programs totaled \$85,898,934 in 1995. Most programs rely on a combination of federal, state and local funding sources, both public and private.
- ✓ The average capital loan fund size is \$883,038, although there are many funds which are much smaller. The total of all capital funds is \$143,052,220. Capital funds range in size from \$3,000 to \$20 million.
- ✓ The majority of programs target low-income individuals as part of their mission. 92% of the practitioner programs either target low-income individuals, or have assisted them directly. In 1995, 15,957 low-income individuals were served by microenterprise practitioner programs.
- ✓ In 1995, 55% of practitioner programs had low-income individuals directly involved as participants, and 56% had AFDC recipients as participants.
- ✓ The majority of programs have a staff size of less than five. 21 programs have a staff size of more than ten.
- ✓ While most practitioner programs provide training and technical assistance on-site, 30% of programs use community centers, and 24% use community college facilities.
- ✓ 38% of practitioner programs require a minimum number of hours of training to obtain credit.
- ✓ 40% of practitioner programs charge fees for training or technical assistance services. In the future, many seek to cover more of their costs through fees.
- ✓ Programs use multiple techniques to increase the cost-effectiveness of training and technical assistance. The two most common strategies are grouping clients together and using volunteer trainers. 60% of all programs use these two strategies. Almost one-half of the programs that provide training and technical assistance screen participants before entry into training.
- ✓ A large percentage of the programs are under three years old, while a few are more than ten years old. 69 programs initiated their services since 1994, while 51 programs have been in business ten years or longer.
- ✓ Three quarters of the programs have a client base made up of 50% women or more. Twelve programs (5%) serve only women.
- ✓ The biggest issue of concern to programs is programmatic sustainability. 61% rank this as a key concern.
- ✓ 56% of programs rate diversifying and broadening their funding base as a key concern.
- ✓ 45% of programs report that providing more advanced training and technical assistance is a key concern.
- ✓ 54% of all programs stated that economic development was their top priority. 29% stated that poverty alleviation was their most important goal.
- ✓ 80% of all programs listed in this Directory believe they will increase in size.

**TOP TEN STATES WHERE THE MOST CREDIT HAS BEEN
EXTENDED IN INDIVIDUAL LOANS (1995)**

DOLLARS LOANED

Ohio	\$23,107,355
Washington	\$9,873,179
California	\$8,315,299
Montana	\$7,439,963
Maine	\$7,045,345
Colorado	\$6,291,200
North Carolina	\$5,963,093
New York	\$4,189,000
Minnesota	\$3,990,845
Arizona	\$3,367,482

**TOP TEN STATES REPORTING THE MOST START-UP
MICROBUSINESSES (1995)**

	START-UPS ASSISTED	AVERAGE NUMBER ASSISTED PER PROGRAM
California	3,666	94
New York	1,140	57
Massachusetts	1,027	54
North Carolina	922	102
Wisconsin	716	179
Ohio	646	46
Colorado	575	96
Vermont	495	83
Florida	459	77
Pennsylvania	439	40

**TOP TEN STATES ASSISTING MICROENTREPRENEURS
ON AFDC (1995)**

	NUMBER OF WELFARE RECIPIENTS ASSISTED	AVERAGE NUMBER ASSISTED PER PROGRAM
New York	568	28
Ohio	472	34
Iowa	399	100
California	343	9
Vermont	294	49
New Mexico	270	68
Michigan	217	20
Illinois	197	12
Minnesota	190	15
Hawaii	168	168

Where U.S. Microenterprise Agencies Are Located

	PRACTITIONER AGENCIES	PRACTITIONER SUPPORT AGENCIES	TOTAL AGENCIES
Alaska	3	--	3
Arizona	3	--	3
Arkansas	4	1	5
California	31	8	39
Colorado	6	--	6
Connecticut	2	--	2
Delaware	2	--	2
District of Columbia	5	11	16
Florida	6	--	6
Georgia	2	--	2
Hawaii	1	--	1
Illinois	11	6	17
Indiana	2	--	2
Iowa	3	1	4
Kansas	2	--	2
Kentucky	6	--	6
Louisiana	1	--	1
Maine	8	--	8
Maryland	2	2	4
Massachusetts	17	2	19
Michigan	8	3	11
Minnesota	9	4	13
Mississippi	1	--	1
Missouri	5	1	6
Montana	7	--	7
Nebraska	13	4	17
Nevada	1	--	1
New Hampshire	2	--	2
New Jersey	5	--	5
New Mexico	3	1	4
New York	17	3	20
North Carolina	9	--	9
North Dakota	1	--	1
Ohio	11	3	14
Oklahoma	1	1	2
Oregon	3	--	3
Pennsylvania	8	3	11
Rhode Island	2	--	2
South Dakota	3	--	3
Tennessee	1	--	1
Texas	4	1	5
Utah	2	--	2
Vermont	5	1	6
Virginia	10	5	15
Washington	11	1	12
West Virginia	3	--	3
Wisconsin	4	--	4
TOTAL	266	62	328